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Control No. 3217

EIC-M-107

10 February 1965

ECONOMIC INTELLIGENCE COMMITTEE

70

Minutes of Meeting Held in
Room 4 F 31, CIA Headquarters Building
1000 hours, 10 February 1965

DIA Declassification/Release Instructions on File

PRESENT:

Dr. Otto E. Guthe, CIA, Chairman

Mr. Morris H. Crawford, Department of State

[REDACTED] Defense Intelligence Agency

CDR. James G. Brady, Department of the Navy

[REDACTED] National Security Agency

Mr. Jerome Forrest, Agency for International Development

Dr. Wilhelm Anderson, Department of Agriculture

Mr. Fred F. Pirhalla, Department of Commerce

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[REDACTED] CIA, Executive Secretary

INTRODUCTIONS:

The Chairman introduced CDR. Brady, Department of the Navy, and Dr. Wilhelm Anderson, Department of Agriculture, recently designated members on the Economic Intelligence Committee, and [REDACTED] the new Executive Secretary of the Committee.

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APPROVAL OF MINUTES:

The minutes of the EIC meeting of 12 August 1964 (EIC-M-106) were approved.

ANNOUNCEMENTS:

Membership

The Chairman reported that the Department of the Air Force had inquired recently as to the procedure for designating a representative on the Committee. The Chairman recalled that he had contacted Brigadier

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General Wynne, Deputy Assistant Chief of Staff, Intelligence in December 1963 and at that time the Air Force was not in a position to provide representation on the Committee. / Subsequent to the meeting, on 10 February 1965, the Department of the Air Force designated Dr. Robert A. Kilmarx and Colonel Clyde C. Wooten, member and alternate respectively, on the EIC. /

The Chairman stated that Dr. Van Sant, from the Office of the Assistant Secretary of Defense, ISA, who was associated with Committee activities for more than 8 years, retired from Government service in December 1964 and that he had presented a letter of appreciation to Dr. Van Sant for his cooperation and assistance in support of the work of the Committee. The Chairman reported he had been advised that effective November 1964 representation of the Office of the Assistant Secretary of Defense formerly provided by International Security Affairs had been merged with the DIA representation on the Committee.

Release of EIC Documents

The EIC approved by telephone interim action on 19 January 1965 release of the summary reports on the International Trade and Transport of Communist China (EIC-R16-S2 through S-5) [REDACTED]

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In response to a request from the CIA Member of the US-MICC, a sanitized copy of EIC-R14-S17, Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World, 1 January through 30 June 1964, was provided the US-MICC Secretariat [REDACTED]

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DCID 1/3, Priority National Intelligence Objectives and Quarterly Supplement

The Chairman mentioned that the Director of Central Intelligence Directive No. 1/3, Priority National Intelligence Objectives revised 23 December 1964 and the Quarterly Supplement effective 23 December 1964 had recently been issued. Members indicated that they received copies through their own agencies.

Visitor No-Escort Badges

The Chairman reported that the Office of Security had further restricted its policy for issuing Visitor No-Escort Badges to non-agency personnel. He reported that infrequent visits to the building would not

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now justify the issuance of a badge. However, if members were attending other meetings in the building at frequent intervals which he would not be aware of, to advise him and he would see if arrangements could be made for the issuance of a badge.

EIC Contribution on Industrial Technology of Communist China to SIC Study on Science and Technology in Communist China through 1970

The Chairman reported that some problems had arisen in coordination of this study and requested that the member concerned meet with him at the conclusion of the EIC meeting to attempt to resolve the differences.

REVIEW OF EXTERNAL RESEARCH PROJECTS:

The Chairman reminded members that the Committee terms of reference call for review of external research projects individually involving more than \$5,000 in support of economic intelligence production. It seems certain that some contracts have been negotiated without being referred to the Committee. He reported that only one, a CIA proposed extension of a project [REDACTED] is currently under review by the Committee.

The Chairman stated that perhaps some economic research is being done under contract in the research and development components of the various services and requested members, insofar as they were aware of such projects, to attempt to arrange for them to be submitted for review as they are being formulated so that the appropriate EIC subcommittee could know of proposals and possibly be helpful in providing advice.

The Department of Agriculture representative stated that USDA has a number of contracts underway and the Chairman stated that the EIC Subcommittee on Agriculture should look into this matter to determine whether such contracts should be reviewed by the EIC.

ANNUAL STUDY ON TRENDS IN SOVIET FOREIGN TRADE:

The Chairman recalled that, at the request of the Department of State representative, the CIA had agreed to produce annual studies on trends in Soviet foreign trade in response to the expressed needs of the community. The initial study, Recent Trends in Soviet Foreign Trade (CIA/RR ER 64-23) was published in August 1964. He reported that ORR is close to finishing a draft of a study of developments in Soviet trade, based on official handbook data for 1963 and information for 1964, which is scheduled for publication in March or April 1965. He reported that it is planned to have another

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study published by the end of December 1965 that would reflect all of the official statistics for 1964 and as much information as possible on trade in 1965.

The Chairman stated that these studies will be treated in the same manner as the initial study -- that prior to publication, drafts will be submitted to the representatives of the Departments of State and Commerce for review and comment.

The Department of State representative stated that the recent Unclassified study on Foreign Trade of the European Satellites, 1963, was very useful.

SURVEY OF PROFESSIONAL PERSONNEL ENGAGED IN ECONOMIC INTELLIGENCE AND RELATED RESEARCH:

The Chairman recalled that in 1958 the EIC had published a survey of professional personnel engaged in economic research on the Sino-Soviet Bloc and Non-Bloc areas and that similar surveys had been published in 1953 on Non-Bloc areas, on China, and on the USSR and Eastern Europe.

The Chairman stated that the EIC should consider undertaking another survey of this type oriented more around the work that is done in the interest of national security as opposed to the general economic reporting that many of the departments regularly do. He stated that, with the concurrence of the EIC, he would ask [REDACTED] Executive Secretary of the EIC, in consultation with EIC members to draw up a meaningful, not too complicated, terms of reference for a survey that would show the distribution of the analytic economic resources in the Washington area, with some attention given to economic research conducted under governmental contract.

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The AID representative stated that some of the resources for economic analysis in the Washington area are located in the international agencies, which have attracted economists of high standing.

CONSIDERATION OF EIC-R14-S18, AID AND TRADE ACTIVITIES OF COMMUNIST COUNTRIES IN LESS DEVELOPED AREAS OF THE FREE WORLD, 1 JULY - 31 DECEMBER 1964:

The report was reviewed on a section-by-section basis. Minor modifications and changes were agreed to and the Committee approved the report for issuance. The Chairman commended the Working Group for preparing a well balanced report.

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The AID representative suggested that it would be useful if, in future issues, a summary table on military aid extended by Communist countries listing recipient country by amount, similar to the table on economic aid extensions, could be included in the text of the report. It was agreed that this would be done for future issues.

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[Redacted]
Executive Secretary

Attachment

Changes for Directory of EIC Personnel
(EIC-D-587, 15 January 1965)

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